

**October 1, 2010**

*Joined by House Ways and Means Chairman Levin, Local Manufacturing Industries, Business Community to Discuss House Passed "Currency Reform for Fair Trade Act"*

*Legislation Would Hold China Accountable for Currency Manipulation, Level Playing Field for U.S. Manufacturers and Spur Job Creation*

**UTICA, NY** - Today, U.S. Rep. Michael Arcuri (NY-24) was joined by House Committee on Ways and Means Chairman Sandy Levin and representatives from the local manufacturing and business community to discuss legislation that would level the playing field for U.S. manufacturers struggling to compete in the global market because of China's unfair trade practices. *The Currency Reform for Fair Trade Act (H.R. 2378)*, which passed in the House on Wednesday evening, would hold China accountable for the manipulation of its currency and demonstrate that the United States will not tolerate unfair and illegal practices in foreign markets that have cost millions of American jobs.

Passage of this legislation came the day after Arcuri joined Chairman Levin and other colleagues in calling on the President to enforce international trade laws to stop China's illegal subsidies for green technology.

"China is without a doubt undercutting our domestic manufacturing base by devaluing its currency and dumping products into our market," **said Congressman Arcuri**. "Our manufacturers aren't seeking a handout or asking for any unfair advantage, they're just looking for a level playing field so that they can compete internationally. Chairman Levin and I feel very strongly that countries that refuse to play by the rules and engage in currency manipulation

should be held accountable. Passing  
*the*

*Currency Reform for Fair Trade Act*

and addressing China's use of currency manipulation is the single most important way we can spur job creation in domestic manufacturing. Today, we're standing up for American jobs and businesses."

"U.S. workers and businesses can compete if the playing field with China is level, and because of the work of Mike Arcuri, the U.S. House approved landmark legislation to safeguard U.S. industries and U.S. jobs from China's currency manipulation," **said Rep. Sander Levin, Chairman of the Committee on Ways and Means**

. "Standing up for U.S. jobs and forcing China to play by the rules is vital to New York and throughout our nation's manufacturing base."

*The Currency Reform and Fair Trade Act* enables the U.S. Department of Commerce to investigate foreign government currency practices and makes it clear that under U.S. trade remedy laws additional tariffs can be imposed to offset the effects of a "fundamentally undervalued" currency. These tools can be used when the U.S. International Trade Commission determines that an unfair practice has caused or threatens to cause material injury to U.S. companies and workers.

China's currency manipulation is a major cause of the growing U.S. trade deficit, which has risen by \$186 billion since 2001. By pegging its currency, the renminbi (RMB), to the U.S. dollar at a fixed exchange rate, China is able to maintain its currency at a devalued rate. Economists estimate that this exchange rate undervalues the RMB anywhere between 25 to 40 percent, essentially providing a subsidy to Chinese companies and unfairly disadvantaging foreign competitors. Because of this currency manipulation U.S. exports to the country cannot compete with their low-priced Chinese equivalents, and domestic American producers are similarly disadvantaged in the face of subsidized Chinese imports.

**Arcuri added,** "Since China joined the World Trade Organization in 2001, 2.4 million U.S. jobs have been lost or displaced-4,800 of which came from the 24<sup>th</sup> District. If China stopped undervaluing its currency, it would create 500,000 manufacturing jobs and cut our trade deficit by as much as \$100 billion each year."

Arcuri has long been critical of unfair trade practices by foreign governments, which have put

domestic manufacturers at a competitive disadvantage. [The Coalition for a Prosperous America](#) gave him an 'A' for his record on balancing our trade deficit, neutralizing foreign unfair trade practices, and driving the U.S. to craft a smart economic strategy.

**Michael Stumo, CEO of the Coalition for a Prosperous America said,** "CPA rated every member of the House based upon their actions, not their words, in the last three Congresses. Our manufacturing members know that they cannot hire employees or pay taxes without first having a market to sell their products. Congressman Arcuri's recent vote to approve a bill that will neutralize unlawful currency manipulation by China and other countries is one of several pro-American business actions that resulted in his 'A' grade. We need more members of Congress that understand the economic imperative to balance trade so we can create full employment and grow our economy."

## BACKGROUND

Arcuri has continuously supported policies that protect American businesses from unfair trade practices and promote local job growth, including:

- On September 28, 2010, Arcuri sent a letter to President Obama urging prompt action to address unfair trade practices by China that impact the green technology sector;
- On June 29, 2010, Arcuri sent a letter calling on House Committee on Ways and Means Chairman Levin to take immediate action in committee on *The Currency Reform and Fair Trade Act* (H.R. 2378) so that this legislation could come up for a vote in the U.S. House of Representatives;
- On March 15, 2010, Arcuri sent a letter to U.S. Department of the Treasury Secretary Timothy Geithner and U.S. Department of Commerce Secretary Gary Locke expressing concern over China's ongoing manipulation of its currency and outlined actions necessary to restore fair trade and save U.S. manufacturing jobs, including the inclusion of China in the Department's bi-annual report on currency manipulation.

- Fighting to include "Buy America" provisions in the Recovery Bill to ensure that goods used in infrastructure projects are manufactured here at home from domestic raw materials;
- In December 2009 and February 2010, Arcuri sent letters to U.S. Department of Energy Secretary Steven Chu urging him to reject the \$450 million request for Recovery Bill Funding for a wind farm project in West Texas that planned to use turbines manufactured in China;
- Co-sponsoring H. R. 2378, *The Currency Reform for Fair Trade Act*, which would prevent foreign trading partners from manipulating their currency to gain an unfair advantage;
- Co-sponsoring H. R. 3012, *The TRADE Act*, which would mandate trade pact reviews, establish standards, protect workers and help restore congressional oversight of future trade agreements;
- Co-sponsoring H.R. 4351, *The Buy American Improvement Act*, which would close the vague "waiver" process that allows government procurements to avoid buying domestically-produced goods, increase transparency, and create American jobs;
- Co-sponsoring H.R. 4692, *The National Manufacturing Strategy Act*, which would require the administration, in consultation with a new Manufacturing Strategy Board made up of 21 industry leaders and stakeholders, to analyze the nation's manufacturing sector and develop a strategy for enhancing U.S. competitiveness and promoting its success in the global economy;
- Voting against the Peru Free Trade Agreement; and,
- In 2007, Arcuri testified before both the House Ways and Means Committee and the International Trade Commission to advocate for legislation to address China's unbalanced trade practices and highlight the importance of enforcing and strengthening U.S. trade laws.

### Other quotes:

**Brian O'Shaughnessy, Chairman, Revere Copper Products said,** "Since the year 2000, Revere has seen more than 30% of its manufacturing customers in the USA shutdown or move offshore mostly to China. China manipulates its currency to give production of anything mined, manufactured, grown or serviced in China a 40% subsidy. This currency manipulation also makes exports to China 40% more expensive. Congressman Arcuri has taken a leadership role in fighting China's currency manipulation because he understands the impact on jobs in our country and in my company, Revere Copper Products. "

**Jerry L. Eisenhart, President, Bartell Machinery Systems LLC said,** "Addressing Chinese currency manipulation is the single more important thing we can do to spur job creation. China has manipulated its currency to keep the cost of their products artificially low, which has devastated our ability to compete on the global market. Congressman Arcuri clearly understands that it isn't about protectionism; it is about creating fair trade and new jobs. He has the vision to see what it takes to create good long-term private sector jobs and Bartell Machinery Systems thanks him for continuing to be a champion of domestic manufacturing."

**Ron Kessel, Controller, Nucor Steel Auburn, Inc. said,** "Wednesday's vote in the House of Representatives was a strong vote on behalf of U.S. industry and workers who have been injured by China's deliberate currency manipulation. We must address this unfair practice in order to have an effective recovery, expand exports and create the millions of new jobs that are needed. All we are asking for is that the rules our trading partners agreed to follow will be enforced."

**William Guglielmo, President, Rome Area Chamber of Commerce said,** "Our ability to compete internationally is severely hampered by our trade deficit, and a major cause of this is due to unfair trade practices. The corresponding loss of manufacturing activity and jobs results in lost tax base revenue, high unemployment, and a genuine concern for our national security. Currency manipulation artificially sets exchange rates in order to gain an unfair trade advantage. To re-gain our foothold and position as a major economic force, the US needs a comprehensive national trade and economic strategy centered on investment and production in the United States. I thank Congressman Arcuri for working on this very important issue and for helping to pass the Currency Reform for Fair Trade Act."

**Randy Wolken, President, Manufacturing Association of Central New York said,** "Our nation's hard working manufacturing sector has long advocated for legislation addressing currency manipulation tactics practiced by China and other countries. In order to effectively increase domestic manufacturing production and create new jobs, a free, open market and a level playing field are imperative. I applaud Congressman Arcuri, Chairman Levin and their

colleagues for their support of this critical bill, and urge the Senate to quickly follow suit and pass this bill immediately."

[Click here](#) to watch Arcuri speak on the House Floor.

[Click here](#) to view a one-page summary of H.R. 2378.

[Click here](#) to view a background document on the issue of China's exchange rate policy.

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